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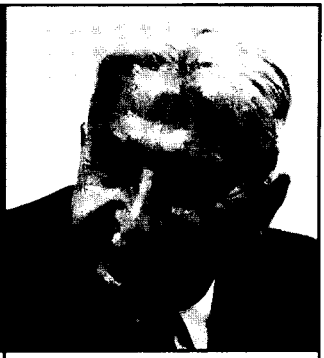

VOLUME 8 NUMBER 4 WINTER 2002

Banking, Flesh, and Blood

A History of Money and Banking in the United States: From the Colonial Era to World War II

Murray N. Rothbard
Edited by Joseph T. Salerno
Mises Institute, 2002
510 pgs.

Murray Rothbard had a remarkable ability to throw unexpected light on historical controversies. Again and again in his work, he pointed out factors that earlier authors had overlooked. After Rothbard has finished with a topic, we can never see it in the same way again. This talent is much in evidence in the present book, a collection of several long articles by Rothbard that together constitute a comprehensive history of American monetary history for the period indicated in the book's title.

An example will illustrate Rothbard's technique. Everyone knows Lenin's theory of imperialism.

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Developed capitalist economies, Lenin maintained, characteristically produce more than they can sell domestically. To find an outlet for their surplus goods, capitalists seek markets abroad. Their endeavors bring about a struggle for colonies; the "highest stage" of capitalism is imperialism.

So much is well known; but how did Lenin arrive at this account? Rothbard has unearthed a surprising source. The theory stems ultimately from capitalist supporters of imperialism: "By the late 1890s, groups of theoreticians in the United States were working on what would later be called the 'Leninist' theory of capitalist imperialism. The theory was originated, not by Lenin but by advocates of imperialism, centering around such Morgan-oriented friends and brain trusters of Theodore Roosevelt as Henry Adams, Brooks Adams, Admiral Alfred T. Mahan, and Massachusetts Senator Henry Cabot Lodge. . . . The ever lower rate of profit from the 'surplus capital' was in danger of crippling capitalism, except that salvation loomed in the form of foreign markets and especially foreign investments. . . . Hence, to save advanced capitalism, it was necessary for Western governments to engage in outright imperialist or neo-imperialist ventures, which would force other countries to open their markets for American products and would force open investment opportunities abroad" (pp. 209–10).

I have concentrated on this detail, not only for its own sake, but because from it, we can see in operation several themes in Rothbard's conception of American financial history. Most obviously, he agrees with Michelet that history is a resurrection of the flesh. Not for him are impersonal trends and forces: History always involves the motives and actions of particular persons. (Professor Salerno, in his excellent introduction, explains the theoretical basis for Rothbard's stress on the particular.)

To illustrate, Rothbard does not confine himself to a general statement of the monopoly capitalist origins of the Leninist theory. He describes in great detail the activities of Charles Conant, a leading advocate of imperialism. Conant, it transpires, did much more than theorize. He actively worked to install the gold-exchange standard, a key tool of American monetary imperialism, in Latin America and elsewhere. Rothbard describes Conant's activities in his unique style: "Conant, as usual, was the major theoretician and finagler" (p. 226).

Neither as theorist nor practitioner did Conant act on his own, and to see why not enables us to grasp a central

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plank of Rothbard's edifice. "Nor should it be thought that Charles A. Conant was the purely disinterested scientist he claimed to be. His currency reforms directly benefited his investment banker employers. Thus, Conant was treasurer, from 1902 to 1906, of the Morgan-run Morton Trust Company of New York, and it was surely no coincidence that Morton Trust was the bank that held the reserve funds for the governments of the Philippines, Panama, and the Dominican Republic, after their respective currency reforms" (pp. 232–33).

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Rothbard maintains that the House of Morgan held effective control of the American government for much of the late nineteenth and early twentieth centuries, down to the onset of Roosevelt's New Deal in 1933. He traces in detail Morgan backing for a central bank, culminating in the creation of the Federal Reserve System in 1913.

Through an overwhelming mass of detail, Rothbard makes his case; but a question here arises. Why did the Morgan interests (or anyone else, for that matter) wish to establish a central banking system?

Our author explains the main reason in great detail. A central banking system vastly increases the ability of bankers to lend more money than they possess in reserves. Absent central control, monetary expansion in a fractional reserve system faces limits. If a bank, desiring to increase its profits, expands too much, rival banks will call in its notes. If it cannot meet its obligations, it will collapse. A central banking system removes this obstacle.

The House of Morgan by no means was the first group in American history to seek the ill-gotten gains of centralized banking; Rothbard discusses in great detail, e.g., the struggles over the First and Second Banks of the United States. Throughout his narrative, Rothbard stresses a point vital to the understanding of monetary history. A popular belief holds that poor people, likely to be in debt, favor easy money, while their rich creditors oppose it.

Often, this turns out to be the reverse of the truth. "Debtors benefit

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from inflation and creditors lose; realizing this fact, older historians assumed that debtors were largely poor agrarians and creditors were wealthy merchants and that therefore the former were the main sponsors of inflationary nostrums. But of course, there are no rigid 'classes' of creditors and debtors; indeed, wealthy merchants and land speculators are often the heaviest debtors" (p. 58).

Bankers, then, favor monetary expansion; but why should the rest of us oppose it? Do we not require an "elastic" currency to deal with the failure of prices quickly to adjust to changing business conditions? Not at all, answers Rothbard. "As 'Austrian' business cycle theory has pointed out, any bank credit inflation creates conditions of boom-and-bust" (p. 94).

"Suppose all this is true," we can imagine an expansionist protesting. "Do we not still need monetary expansion to rescue us from recession?" Rothbard demurs; in his view, the business liquidations that accompany recessions are precisely the cure for the preceding boom. Efforts to interfere with these liquidations through inflation will induce another cycle.

Although Austrian theory provides the framework for Rothbard's history, its intricacies are not at the heart of the book. Let us then return to what I found the book's most valuable historical contribution, the discussion of the Morgan bank and its influence.

Rothbard makes clear that the Morgan interests aimed at much more than profits. To this very powerful group, the interests of Great Britain and her empire were paramount; and the Morgan bank constantly aimed to subordinate the interests of the United States to this superior power. After the onset of World War I, "the Morgans played a substantial role in bringing the United States into the war on Britain's side, and, as head of the Fed, Benjamin Strong obligingly doubled the money supply to finance America's role in the war effort" (p. 270).

Rothbard's point serves to introduce a story within the larger story of Morgan influence. Benjamin Strong, the Governor of the New York Federal

Although Austrian theory provides the framework for Rothbard's history, its intricacies are not at the heart of the book.

Reserve Bank, was by far the most influential figure in the entire Federal Reserve system from its inception until his death in 1928. He entered into close association with Montagu Norman, Governor of the Bank of England. Both men had enlisted in the Morgan camp: "While the close personal relations between Strong and Norman were of course highly important for the collaboration that formed the international monetary world of

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the 1920s, it should not be overlooked that both were intimately bound to the House of Morgan" (p. 374).

At Norman's behest, Strong inflated the U.S. monetary supply, in order to enable Britain to maintain in operation the gold-exchange standard. By doing so, Rothbard claims, Strong bears heavy responsibility for the onset of the 1929 stock market crash and the ensuing depression. "The United States inflated its money and credit in order to prevent inflationary Britain from losing gold to the United States, a loss which would endanger the new, jerry-built 'gold standard' structure. The result, however, was eventual collapse of money and credit in the U.S. and abroad, and a worldwide depression. Benjamin Strong was the Morgans's architect of a disastrous policy of inflationary boom that led inevitably to bust" (p. 271).

Rothbard pursues with tenacity a biographical method of analysis that stresses the ties of influential figures to central financial groups.

Rothbard goes even further in his assault on Federal Reserve inflationism. Contrary to Milton Friedman, the Federal Reserve did not follow a contractionist policy once the depression began. Rothbard assails "the spuriousness of the monetarist legend that the Federal Reserve was responsible for the great contraction of money from 1929 to 1933. On the contrary, the Fed and the administration tried their best to inflate, efforts foiled by the good sense, and by the increasing mistrust of the banking system, of the American people" (p. 275).

The book's narrative is a complex one, and by no means reduces to an account of the vicissitudes of the House of Morgan. A rival banking group, consisting most importantly of Rockefeller interests, challenged it for supremacy. For Rothbard, the New Deal can best be viewed as the victory of the Rockefeller group. Although the Morgans recovered some of their influence after the mid-1930s, they henceforward occupied a subordinate position.

Throughout the book, Rothbard pursues with tenacity a biographical method of analysis that stresses the ties of influential figures to central financial groups, such as the Morgans. In his intricate tracing of patrons and clients, Rothbard brings to mind the great works of Ronald Syme and Lewis Namier. But Rothbard has the advantage over these renowned historians in that he does not restrict himself to the amassing of biographical detail. He has in addition a carefully worked out theory, Austrian economics, to guide him. I have endeavored in this review to mirror Rothbard's constant movement

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between detail and general theory, but I have at best been able to provide a small taste of this outstanding book. ✦

The Facts of Economic Life

The Collapse of the Fact/Value Dichotomy and Other Essays

Hilary Putnam
Harvard University Press, 2002
xi + 190 pgs.

Hilary Putnam ranks as one of the outstanding American philosophers of the twentieth century, but never before now has he shown any interest in economics. It transpires that he has been a friend for 50 years of Vivian Walsh, a philosophically-inclined economist; and owing to Walsh's influence, Putnam has decided to bring to bear his formidable philosophical talent on welfare economics. Putnam hardly inclines to classical liberalism. For him, the economist of the age is Amartya Sen—very much a social democrat of the usual boring sort. Nevertheless, Putnam's book has much to offer Austrians.

As Putnam rightly notes, Lionel Robbins, writing in the 1930s, established the conceptual framework of modern welfare economics: "it was during the depths of the Depression that Lionel Robbins, certainly one of the most influential economists in the world, persuaded the entire economics profession that interpersonal comparisons of utility are 'meaningless'" (p. 53, emphasis removed). The old welfare economics of A.C. Pigou was cast aside.

Pigou famously argued that, owing to the law of diminishing marginal utility, transfers of money from the rich to the poor would increase social welfare, other things being equal. Is it not plausible "that the marginal utility of, say, a thousand dollars to someone at the point of going hungry . . . is greater than the marginal utility of a thousand dollars to, say, Bill Gates?" (p. 53). But if Robbins was right, such judgments lack a scientific basis.

For Putnam, the economist of the age is Amartya Sen—very much a social democrat of the usual boring sort.

What then could stand in their place? Given Robbins's skepticism about ethics, one would expect him to

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answer, "nothing." Rational argument could not settle questions of ethics. Putnam, here following Walsh, maintains that the logical positivists crucially influenced Robbins. Judgments of ethics reflect no more than subjective preferences. As Robbins phrased the matter with characteristic flair, "If we disagree about ends, it is a case of thy blood or mine—or live and let live, according to the importance of the difference, or the relative strength of our opponents" (p. 54, quoting Robbins).

Given this view of ethics, must not welfare economics be totally cast out? Since value judgments are of their essence subjective, any discipline purporting to determine objectively how to advance social welfare seems doomed.

Robbins and his colleagues found an ingenious escape: if valid, it would secure the scientific status of welfare economics and, not coincidentally, their own continued employment as expositors of the new wisdom. Suppose that a course of action increases someone's welfare without hurting anyone else's. Can we not say, then, that the action is objectively desirable? We have not claimed to measure interpersonal utility; and in what way does the appeal to the principle suggested, the Pareto criterion, involve us in any subjective value judgments?

In just this way, Putnam responds. An increase in anyone's utility that harms no one else, it is contended, is desirable; but is not this very claim a judgment of value? If so, on the subjectivist reading of ethics that underlies Robbins's analysis, the principle itself is groundless. If, in response, one detaches the principle from ethical subjectivism, declaring it objectively true, an obvious inquiry rises up to threaten the sufficiency of the new welfare economics. If the Pareto criterion is more than an arbitrary preference, then at least one objective ethical judgment is possible. But then what rules out appeal to other principles alleged to be objectively true?

Putnam explains the vital point at issue: "if the reason for favoring Pareto optimality as a criterion is that one approves the underlying value judgment that every agent's right to maximize his or her utility is as important as every other's, then it would seem that Pareto optimality isn't a value neutral criterion of 'optimality' at all. How could there be a value neutral criterion of optimality, anyway?" (p. 56, emphasis removed).

The Pareto criterion *et hoc genus omne* do not then rescue us from ethical subjectivism. But our author does not write to berate Robbins for insufficient faith in the logical positivist

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If Putnam is right, economists cannot dismiss ethics as subjective.

creed. Rather, he contends, contrary to the logical positivists, that ethical judgments are not mere subjective preferences. Like ordinary factual judgments, they are objectively true or false. In pressing his case, Putnam's skill as an outstanding philosopher emerges in full force.

To refute the positivist argument is no easy task. Is it not obvious that factual judgments, e.g., "this table is brown," differ entirely from such value judgments as "I like professional wrestling"? Further, who can deny that factual judgments are objective in a sense that value judgments are not? We can look at a table and see what color it is: we cannot test whether wrestling "really" is good. Logical positivism may be outdated, but is not the fact-value gap as wide as it ever has been?

Putnam deftly turns these points aside. There are indeed statements that consist purely of factual terms; others are entirely valuational. But many statements fall into neither class. Consider the judgment: "A free market is the only workable social system." (This example is mine: I doubt that Putnam himself would accept it.) Its truth can be established by rational argument, as readers of Mises and Rothbard will know. Yet surely "workable" is a value term. In sum, values are not always a matter of choice. Values are inextricably bound up with our ordinary factual concepts.

As Putnam knows full well, defenders of the gap will not at once retire from the field of battle. True enough, defenders of the gap like R.M. Hare will concede, some terms have both factual and valuational aspects, but must philosophical analysis stop here? Rather, can one not always separate a "mixed" judgment into descriptive and valuational parts? If so, the fact-value gap returns.

Putnam finds this response unconvincing. "The attempt of noncognitivists to split thick ethical concepts into a 'descriptive meaning component' and a 'prescriptive meaning component' founders on the impossibility of saying what the 'descriptive meaning' of, say, 'cruel' is without using the word 'cruel' or a synonym" (p. 38).

If Putnam is right, economists cannot dismiss ethics as subjective. What, then, is the next step for economists who accept Putnam's arguments? How exactly can an objectively true welfare economics be achieved? I cannot think that Putnam's suggestions are of much help.

He maintains that, contrary to Robbins, interpersonal utility comparisons can validly be made. How can

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Putnam say this? He himself recognizes that "the idea that the amount of satisfaction different people get from various goods and services (and from such intangibles as opportunities) can be linearly ordered . . . seems absurd" (p. 55). Is this not the essence of the case against interpersonal comparisons?

To Putnam, this consideration does not suffice to dispatch all such comparisons. We cannot place in a single order all rankings of goods, but can we not arrive at some valid rankings? To return to an example previously mentioned, is it not obvious that a starving man values one thousand dollars more than Bill Gates does?

Is it not obvious that a starving man values one thousand dollars more than Bill Gates does?

Putnam is entirely right that people in ordinary life frequently make such comparisons. It hardly follows from this, though, that in doing so people judge that the starving man obtains more fixed units of utility from the money than does Gates. Quite the contrary, such comparative judgments are rough and ready: how then can they form part of a scientific welfare economics?

To his credit, Putnam does not attempt to elevate his interpersonal comparisons into full-fledged scientific assessments. Rather, he contends that such commonsense judgments are all we need. He cites with approval Amartya Sen: "In arriving at an 'agreed' range for social evaluation . . . there has to be some kind of a reasoned 'consensus' on weights, or at least on a range of weights. This is a 'social choice' exercise, and it requires public discussion and a democratic understanding and acceptance" (p. 55, emphasis removed, quoting Sen).

Here Putnam falls into just the arbitrary subjectivism against which he has so effectively argued. Let us grant him the "commonsense" comparisons of utility he wants. Putnam has done nothing to show that these comparisons have any relevance for welfare economics. If a starving man values one thousand dollars "more" than Bill Gates does, how is it supposed to follow that money should be taken from Gates? Surely some set of ethical principles needs to be offered to support redistribution, but Putnam fails to provide any.

Our author would, I suspect, reply in two ways. First, have I not begged the question against him? His contention is

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that issues of social evaluation need to be settled through democratic discussion, leading to consensus. In asking for principles to justify despoiling Gates, do I not implicitly assume that democracy is not enough?

By no means. If there are objectively true principles that mandate democratic consensus, I have done nothing to exclude them without a hearing. Rather, I simply want to have a look at them. It surely does not suffice for Putnam to postulate democratic consensus without argument, as he appears to do.

Putnam might reply in a different way. Perhaps Sen's "equal capabilities" view is supposed to provide just the grounding in principles for consensus that I have demanded. But neither Putnam nor Sen shows that the equal capabilities approach leads to decision by consensus.

Putnam's analysis of welfare economics thus begins well but ends on an unpromising note. Putnam makes excellent points against the ethical subjectivism that underlies much of standard welfare economics. But he provides us with no adequate replacement.[1] ✦

[1]I confine to a note this more technical point. Putnam, following Walsh and Sen, claims that the standard assumption of transitivity of preferences is controversial (pp.163ff., n.3). Misesian praxeology does not assume transitivity (*Human Action*, p.103), and thus seems to have an advantage over standard neoclassical models.

CONTEMPT FOR LIFE

Straw Dogs: Thoughts on Humans and Other Animals

JOHN GRAY
GRANTA BOOKS, 2002
X + 246 PGS.

John Gray is Ayn Rand's nightmare come true. Once a classical liberal, he now finds the inanities of Tony Blair's "Third Way," as expounded by its oracle Anthony Giddens, more to his liking. His shift in belief presented him with a problem. Reason and morality strongly support a free-market order, and the fallacies of the soppy socialism of New Labour require no great acumen to discern. How then can Gray defend his change of doctrine?

John Gray is Ayn Rand's nightmare come true.

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In *Straw Dogs*, Gray has at last solved his problem. I do not mean that Gray has now come up with new arguments that show we were all wrong—that it turns out that reason and morality support soppy socialism after all. Quite the contrary, Gray suggests that reason and morality need to be abandoned. While he is at it, Gray suggests that human beings are no great shakes, either.[1]

Are you so benighted as to think that all human beings have natural rights to life, liberty, and property? Gray will soon cure you of your universalist predilections. Claims that morality imposes on us certain universal requirements reflect outdated religious views: "The idea of 'morality' as a set of laws has a biblical root. In the Old Testament, the good life means living according to God's will. But there is nothing that says that God's laws apply universally. The idea that God's laws apply equally to everyone is a Christian invention. . . what sense is there in the idea of laws that apply to everyone? Isn't this idea of morality just an ugly superstition?" (p. 90).

I cannot think that Gray's knowledge of the Old Testament would get him through an elementary course in the Bible. Has he never come across the Noachite laws, which do apply to everyone? Gray's ignorance of scripture, though, takes us away from the thrust of his criticism of morality in the passage just quoted. Does his argument have any faults?

A couple of minor ones. Gray does not show that the idea of universal moral laws stems from Christianity. If it does, he fails to show that this is a point against the validity of such laws. Why is the idea of universal moral laws senseless and an ugly superstition? Gray does not tell us: he appears rather to "argue" by giving a dog a bad name, a dubious tactic even if one is dealing with straw dogs.

Perhaps I have here given Gray an uncharitable reading. I of course would never knowingly do such a thing, and I will soon endeavor to see if more in the way of argument can be teased out of Gray's musings. Before doing so, though, I pause to avert a possible misunderstanding. One might imagine

[1]The book's title reflects Gray's disdain for our species: "In ancient Chinese rituals, straw dogs were often used as offerings to the gods. During the ritual they were treated with the utmost reverence. When it was over and they were no longer needed they were trampled on and tossed aside. . . . If humans disturb the balance of the Earth they will be trampled on and tossed aside" (pp. 33–34).

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from our quotation that Gray is an enemy of religion: he takes it as an argument against universal morality that, as he thinks, it stems from Christianity. But this is not so.

Gray does view all religion with revulsion: he has a soft spot in his heart for polytheism. "Polytheists may be jealous of their gods, but they are not missionaries. . . . If the world had remained polytheist, it could not have produced communism or 'global democratic capitalism.' . . . Polytheism is too delicate a way of thinking for modern minds."[2] I had not realized that the early Christians fed the polytheist Romans to the lions.

Gray's complaint against morality I think emerges more clearly elsewhere. He has a genuine point to make, but he crudely mistakes its significance. Supporters of universal morality think that all persons are entitled to be treated as ends in themselves. But this idea is provincial: "A person is someone who believes that she authors her own life through her choices. That is not the way most humans have ever learned . . . Are we to believe that bushido warriors in Edo Japan, princes and minstrels in medieval Europe, and Mongol nomads were lacking because their lives failed to square with a modern ideal of personal autonomy?" (p. 58).

Gray confuses two very different things. Traditional societies have many virtues, and Gray seems to me right to think that a good life need not involve detachment from the customs of one's society. But the claim that everyone is in himself a moral end does not imply that everyone should abandon his traditional way of life. People who are ends in themselves can live by custom rather than choice. Why does Gray think otherwise?

If you think that Gray's claim is confused, wait until you see what is coming next. Gray spends a great deal of time telling us about various atrocities, the Gulag not least among them. In spite of my sarcastic tone, much of what he says is moving. But in what way does the fact that people have been tortured and murdered in vast numbers show that universal morality must be rejected? I should have thought that our revulsion at cases of contempt for human life counts as evidence in favor of moral standards that transcend social practices.

If you think that Gray's claim is confused, wait until you see what is coming next.

[2]Our erudite author, to my surprise, has not noted that William James sympathized with polytheism.

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Can it be that Gray has fallen into a mistake that would disgrace a tyro? A moral rule tells us what we ought to do: it is not a description of the way people in fact behave. Is it a good reason to reject the principle of self-ownership that many societies have practiced slavery? Judged by what he says in *Straw Dogs*, the Professor of European Thought at the London School of Economics would have to say that it is.

So much for morality. Free will also has to go: "We can be free agents only if we are authors of our acts; but we are ourselves products of chance and necessity. We cannot choose to be what we are born. In that case, we cannot be responsible for what we do" (pp. 65–66).

Can it be that Gray has fallen into a mistake that would disgrace a tyro?

What is going on here? Supporters of free will claim that our choices are free, not that our characteristics arise from free choice. No doubt we are born with certain natural traits, and are much influenced by chance events. But how do these facts show that we do not act freely? How do the facts, e.g., that I have a brain, arms, and legs, none of which I have created, imply that I am not responsible for what I do?

Gray is not yet ready to close the Department of Implausible Claims. Someone so incapable as he of philosophical argument is not likely to value logic highly, and our expectations suffer no disappointment. "Classical logic," he claims, "tells us that the same event cannot happen and not happen. Yet in 'many-worlds' interpretations of modern physics, that is precisely what does occur" (p. 24).

I'm afraid not. The alternatives at issue in many-worlds interpretations of quantum mechanics occur in different possible worlds; no violation of classical logic is involved. Indeed, the wish to avoid violation of classical logic is one of the chief motives behind the view.

Morality is a sham, freedom an illusion, and logic a superseded relic. Such views do not suggest that Gray will advance a social philosophy congenial to readers of *The Mises Review*; and, true to form, he has a number of wacky suggestions on offer.

For one thing, he maintains that leaving the Stone Age was a mistake. "We think of the Stone Age as an era of poverty and the Neolithic as a great leap forward. In fact the move from hunter-gathering to farming brought no overall gain in human well-being or freedom. It enabled larger numbers to live poorer lives. Almost certainly, Paleolithic man was better off" (p. 156). Almost certainly? How does Gray

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know this? A brief reference to the left-leaning anthropologist Marshall Sahlins hardly suffices.

Gray's contempt for humanity and civilization is limitless. He acknowledges that economic growth has brought us many useful inventions. He cites Thomas de Quincey, who, when he claimed early in the nineteenth century that "a quarter of human misery was toothache, may have been right. Anaesthetic dentistry is an unmixed blessing. So are clean water and flush toilets. Progress is a fact" (p. 155).

So far, so good; but now comes the twister. Technological progress enables vast increases in human population to take place. But this, Gray holds, is disastrous. The balance of the earth has been upset. "The destruction of the natural world is not the result of global capitalism, industrialization, 'Western civilisation' or any flaw in human institutions. It is the consequence of the evolutionary success of an exceptionally rapacious primate" (p. 7).

Fortunately, human beings will be stopped before they can destroy the earth altogether. The Gaia hypothesis, devised by James Lovelock, shows that the earth is an organism. Its self-regulating mechanisms will strike back against humanity. How dare human beings think themselves special? "For Gaia, human life has no more meaning than the life of a slime mould" (p. 33). This view, we are informed, "is consistent with the narrowest scientific orthodoxy" (p. 33).

I am very glad to have read this book. John Gray's frequent changes of opinion have puzzled many, but at last we see the ultimate basis of his outlook. The answer has been concealed from those who know him, because he is a charming and genial companion. But the matter admits of little doubt. He is a misanthrope, pure and simple.

Lest I be accused of being one as well, I had better note some good things in the book. The discussion of George Bernard Shaw on mass extermination of the "socially useless" is well worth reading (pp. 94–95), as is the account of the influence of Fedorov's technological superhumanism on the Soviet regime (pp. 137–38). I applaud his attention to that great and neglected thinker Leo Shestov (p. 83) and his recommendation of Santayana's *Scepticism and Animal Faith* (p. 209). I do not applaud his mistaken claim that Nietzsche died in 1890 (p. 45). ✦

John Gray's frequent changes of opinion have puzzled many, but at last we see the ultimate basis of his outlook.

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The Truth About Diversity

Multiculturalism and the Politics of Guilt: Toward a Secular Theocracy

Paul Edward Gottfried
University of Missouri Press, 2002
x + 158 pgs.

Paul Gottfried has seen an aspect of multiculturalism and political correctness that previous critics of these doctrines have failed adequately to stress. He uses his insight to develop a brilliant analysis and critique of the modern managerial and therapeutic state.

By "multiculturalism," our author has in mind a set of phenomena. "In the new multicultural as opposed to conventional multiethnic situation, the state glorifies differences from the way of life associated with the once majority population. It hands out rewards to those who personify the desired differences, while taking away cultural recognition and even political rights from those who do not. The differences being honored involve not only a wide range of cultural exotica, but, perhaps even more importantly, the showcasing of alternative lifestyles" (p. 14). Thus, blacks and Hispanics benefit from affirmative action programs,

In the new multicultural situation, the state glorifies differences from the way of life associated with the once majority population.

while attempts to resist activist homosexual blocs are derailed in the courts.

Gottfried differs from most other critics in his stress upon governmental promotion of multiculturalism: "For all their complaints about 'political correctness,' moderate conservatives . . . do not devote their primary attention to the government's control of speech and behavior. The battle between supporters and opponents of political correctness is thought to be taking place among warring cultural elites" (p. 5).[1]

This at once raises a question: why do the governments of the United States and Europe engage in these activities? Multiculturalists stand ready

[1]If the passage quoted in the previous paragraph is taken as a strict definition, then orchestrated private campaigns against, say, believers in racial inequality do not count as manifestations of political correctness. I doubt that Gottfried would accept this, so it is better to take his remarks, not *sensu strictu*, but as a preliminary survey of the terrain.

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with an answer: Morality requires the policies they favor. So alien are these policies from Gottfried's own views that he passes by this response, as Dante says, in silent contempt. For him, multiculturalism is a perversion of morality. It is an instance of what Carl Schmitt called "the tyranny of values," i.e., an attempt to elevate an arbitrary preference to the status of a binding, objective judgment and on that basis forcibly to impose it on society.[2]

But this raises yet another question: why does the state seek to impose multiculturalism? Gottfried argues that it does so in order to control society. "While this now dominant Western regime does not engage in brute force, it marches nonetheless through once 'independent social spheres.' As both the protector of designated victims and the sensitizer of consciousness, this expanding state is authorized to make constant interventions, directly or indirectly, in a wide range of human and commercial relations" (p. 88). Americans should take small comfort from the fact that the situation here has not progressed quite so far as in Germany, where "every year about eight thousand German journalists and scholars are tried by the government for '*Volksvehetzung*' (inciting the public) against the democratic foundations of the German constitution" (p. 44).

[2]See my review of Gottfried's earlier volume, *After Liberalism*, in *The Mises Review*, Fall, 1999.

Well, one might object, certainly those jailed for their opinions are "controlled"; but how does enforcing political correctness enable the state to dominate society? Are not those who feel the state's wrath isolated extremists, usually of the right?

Here we arrive at Gottfried's central point. The managerial state wishes to weaken, if not cripple altogether, any social group not under its control. The favored minorities who benefit from multiculturalism depend entirely on the state for their enhanced position: strengthening them weakens those who might prove recalcitrant to the state's domination. A majority culture not created by the state is in a position effectively to resist its absolute mastery; hence the state claims that the historically dominant culture is but one of many competing groups, enjoying no privileged status. As a result, civil society loses its independent

But this raises yet another question: why does the state seek to impose multiculturalism?

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status and becomes totally subject to the state's power.

To secure its position, the managerial state imposes an ideological orthodoxy. This in effect becomes the state religion and nonbelievers fare no better than heretics customarily do. Gottfried questions "an association that has been made since the pioneering research of Max Weber and Ernst Troeltsch between secularization and modernization. Supposedly as societies become more secularized, they abandon the religious myths and doctrinal mysteries that once permeated their fiber" (p. 134). In Gottfried's view, this radically misrepresents what has taken place in our own society: "Transposition takes place as well—for example, the substitution of designated victims for the older adoration of religious martyrs. . . . The notion of the 'suffering just' has been 'brought up to date' and signifies Third World, gender, and lifestyle victims" (p. 135). Our author finds in the works of, among others, Eric Voegelin, René Girard, and Jacob Taubes,[3] support for his contention that modern society transposes religious motifs into ideological categories.

No individual who has any social advantage is immune from the government's attention.

The modern ideological state goes further. Not only can no majority culture claim special privilege: no individual who has any social advantage is immune from the government's attention. Susan Okin, an influential Stanford University professor, "maintains that social justice requires nothing less than a concerted political war against gendered discrimination. . . . Okin advocates administrative intervention in family situations to monitor the relative earnings of husbands and wives and to make sure that sexist toys are kept away from children" (p. 2).

I should like here to supplement Gottfried's argument by attention to the most influential of all contemporary accounts of political philosophy, John Rawls's *A Theory of Justice,* a frequent target in these pages. According to Rawls, individuals do not morally deserve benefits that stem from inequalities of talent. The state should sweep away such undeserved privileges, unless the inequalities benefit the least well-off group. Once more, then, the pattern Gottfried has identified is confirmed: the state stands above civil society, adjusting "advantaged" and "disadvantaged" groups at it sees fit. As if this were not enough, Ronald Dworkin, another

[3]Taubes, like Gottfried, has been greatly influenced by Carl Schmitt.

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philosopher of vast influence, has criticized Rawls for allowing too much inequality to remain untouched.

But does not the state face an obstacle in its efforts to impose what Voegelin terms a "political religion"? Will not genuine religions interpose their immense influence to block the state from its program of ideological deformation? In particular, will not religion come to the rescue in the United States, where, in contrast to Europe, rates of church attendance are high?

I am happy to assure readers that conservative Protestants, Roman Catholics, and Jews do not escape unscathed.

Far from being a source of resistance to the state's ideology, the churches have served as a principal means of its propagation. "A transformation of the self-image of the majority population would have had to take place in order for the therapeutic state to have reached its present strength. This change can be traced to, among other things, an altered religious consciousness that has affected Protestant majorities in the United States" (p. 49).

Sin and redemption are central themes of Protestant Christianity, especially in its Calvinist variety; and, to liberal theologians, social sins have replaced on the agenda individual failings of character. "Liberal Protestant theology is entirely compatible with the managerial state's evolution into a regime promoting victim self-esteem. Without administrative assaults against biological and social distinctions, argue liberal Protestants, the sin of discrimination would rage even more fiercely" (p. 61).

As everyone acquainted with Paul Gottfried knows, he is a man of exemplary fairness, and I am happy to assure readers that conservative Protestants, Roman Catholics, and Jews do not escape unscathed. Others before him, including William Graham Sumner and Oswald Spengler, have indicted the churches on similar grounds; but Gottfried has dissected the social effects of the contemporary church better than anyone else of whom I am aware. I venture to add to his analysis one other factor. A key theme in modern Protestant theology has been the need to imitate Christ's atoning sacrifice by sacrificial behavior in one's personal life. Those in privileged positions should then willingly give up the benefits of their superior status. A *locus classicus* for such views is the work of the great British theologian Peter Taylor Forsyth, who in *The Justification of God* and *The Christian Ethic of War* (both 1916) welcomed the opportunity for British soldiers to sacrifice their lives in battle.

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Will the new religion triumph? Our author doubts it. He suggests that the massive immigration promoted by the multiculturalist elite will generate intolerable social problems. "But staggering numbers of unfriendly foreigners must tell in the end. . . . To whatever extent our elites take their ideology seriously . . . they do not reckon with the fall that may await them" (p. 149). This is not a happy ending, but our author is not known for his optimism. He ends this outstanding book with great elegance: "In Greek mythology the Litai, divine respondents to our supplications, come only after Ate, the goddess of mischief, has wrought havoc. For the managerial class and its multitudinous supporters, it might be best if the repairing deities come sooner rather than later" (p. 149).

Professor Gottfried has rather disconcerted me, as it is so difficult to find errors in his book. On one point, though, I think he is mistaken. He finds a difference between Mises's *Socialism*, which stresses nationalization of the means of production as essential to socialism, and *Liberalism*, where Mises acknowledges that socialism can be instituted through government control that preserves the outward forms of private property. In fact, the two works are entirely consistent. Mises's point in both works is that socialism means governmental control of the means of production. Since a genuine market is not present in this circumstance, rational allocation of resources is impossible. I shall close with one very minor point. I think it better to term Rudolf Steiner an opponent of the Jesuit Order, rather than an "anticlerical" (p. 7, n. 10). ✦

Professor Gottfried has rather disconcerted me, as it is so difficult to find errors in his book.

Ours by Right

Natural Rights and the Right to Choose

Hadley Arkes
Cambridge University Press, 2002
xiii + 302 pgs.

Hadley Arkes gives us too much of a good thing. He argues, with great effectiveness, that legal thinkers today ignore the natural law basis that grounds human rights. Instead, personal value judgments, with no backing in reality, are exalted above all else. Thus, if a woman wishes to terminate her pregnancy, she should, on this modern view, be free to do so, since nothing can override her right to decide for herself whether she has a duty to respect the life of her baby. Such thinking Arkes finds in the

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notorious *Roe v. Wade* decision and later Supreme Court decisions that have extended and modified this decision.

Arkes seeks to entrap supporters of legalized abortion in a contradiction. They claim a right to abortion; but at the same time, their defense of unlimited personal autonomy overthrows the basis of all rights—including the claimed right of abortion. Thus, their position destroys itself. I shall endeavor to show that Arkes's argument does not have the full force he imputes to it:

Not everything in a libertarian system rests on the free decisions of individuals.

it works against some, but not all, defenses of abortion. I shall resolutely avoid taking a position on the morality of abortion. As my readers will know, I always avoid controversy.

Classical liberals place great stress on individual freedom; but, in apparent paradox, not everything in a libertarian system rests on the free decisions of individuals. The very existence of individual rights is a matter that does not rest on choice. It is a truth about the world that persons have rights: they do not decide to have them.

Arkes goes further: the existence of rights rests on natural law. Not only is it true that human beings have rights, but these rights are entailed by man's nature. In his view, natural law underlies the founding of the United States; but the views of the Founders arouse scorn in modern-day relativists and skeptics. In the most influential twentieth-century book on the Declaration of Independence, Carl Becker claimed, "to ask whether the natural rights philosophy of the Declaration of Independence is true or false . . . is essentially a meaningless question" (p. 22, quoting Becker). About this view Arkes tartly remarks: "Becker was hardly detached or open-minded himself; his detachment revealed his own settled judgment that the doctrines of the Declaration were not indeed truths, because there were no moral truths" (p. 23).

Our author is interested in Becker primarily as a symptom. His attitude reflects a general trend among twentieth-century legal, philosophical, and historical theorists to embrace moral skepticism.

Several problems with Arkes's analysis arise. First, he fails to distinguish between accepting natural law and believing in the existence of moral truth. All believers in natural law accept moral truth, but the converse is by no means the case. Several other moral theories acknowledge moral truths, e.g., Kantianism, divine command theories, and intuitionism. I am not here just making one of my usual pedantic points: Arkes's equation of moral objectivity with natural law leads him into error. (I do not mean to suggest

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that there is something amiss with natural-law ethics. On the contrary, it seems to be a compelling view, although, unlike Arkes, I prefer Murray Rothbard's version of it to Harry Jaffa's.)

For one thing, the passage he cites from Becker does not say what Arkes alleges it does. Becker does not deny the existence of moral truth: he says only that to ask whether natural law philosophy is true raises a meaningless question. On the strength of a passage from a later work that Arkes later cites, Becker probably accepted ordinary, commonsensical moral judgments as true but questioned philosophical accounts of them. To speak of "the incredible cynicism and brutality of Adolf Hitler's ambitions" (p. 23, quoting Becker) hardly suggests moral skepticism.

So what? Why does it matter whether Arkes has got Becker right? Arkes's narrow view of moral objectivity leads him grossly to overrate the prevalence of moral skepticism in contemporary legal thought. Unless you embrace natural law, Arkes counts you a nihilist; and this sometimes leads him to ridiculous conclusions. He says, e.g., that Ronald Dworkin, the most influential contemporary legal philosopher, "has carefully avoided any claim that [he] . . . is appealing to moral truths or natural law" (p. 63). Dworkin's appeal to a nation's traditions is a formula that "in the nineteenth century, would have encompassed slavery in America" (p. 63). Arkes appears totally unaware that Dworkin has strongly defended moral objectivity. Further, he has argued that the immorality of slavery ruled out enforcement of the Fugitive Slave clause of the Constitution.[1]

I must not press my objection too far. Arkes is clearly right to think that many of the Founding Fathers embraced natural law, that few legal thinkers do so today, and that this change has very much been for the worse. Oliver Wendell Holmes, Learned Hand, and Richard Posner are not creatures of Arkes's imagination: they are genuine, and enormously influential, moral skeptics.

Arkes grossly overrates the prevalence of moral skepticism in contemporary legal thought.

But what has all this to do with legalized abortion? Our author thinks that its defenders necessarily reject natural law and embrace moral skepticism. A mother, it is held, may if she wishes destroy the life of the human being within her. She must then believe that whether the human being

[1]For further discussion of Dworkin, see my review of his *Sovereign Virtue*, in *The Mises Review*, Winter, 2000.

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in question has a right to life depends entirely on her decision, or on the decision of the "society" that permits her to elect abortion. Only certain human beings count as "persons" entitled to moral standing.

This view at once leads to a contradiction. Society can decide whether a human baby counts as a person; if the decision goes against it, it has no rights. But if rights rest on social decision, what of a woman's supposed "right to choose"? Is society not free to deny this as well? May it not in fact end the mother's right to life, if she turns out to be a member of a condemned class or racial group? The "right to choose" implies moral skepticism, which undermines all rights, including the right to choose.

Arkes states the essence of his argument in this way: let us assume a right to abortion. "Plainly, the child had a claim to exist, as the bearer of rights, only when the mother decided to confer on her the privilege of living. . . . But if the child gains her rights in this way, they can hardly be natural rights. . . . If there is no objective truth attending to 'nature,' or human nature . . . then how could any of us be bearers of rights that have objective standing? Could our rights, after all, have objective standing, when we ourselves do not? . . . The people who sign on to the 'right to abortion' in the radical style of our current laws . . . set in place the logic that deprives them of all of their rights" (pp. 179, 181, emphasis removed).

This argument strikes with great force at the rationale of the major Supreme Court decisions on abortion. When, in *Planned Parenthood v. Casey*, the court informs us, "at the heart of liberty is the right to define one's own concept of meaning, of the universe, and of the mystery of human life" (p. 43), do we not have a precise example of what Arkes has in mind? The Court is saying that whether a child is to be accorded human rights depends on the mother's opinion of its status. If the child's right to live depends on the mother's world-outlook, then Arkes's question is to the point: what is the basis of the mother's rights? Do they rest only on opinion?

What is the basis of the mother's rights? Do they rest only on opinion?

I cannot think, though, that Arkes's argument entirely settles the morality of abortion. Someone might acknowledge the full humanity of the fetus, accept a version of natural law, yet still think abortion should be legal. He might hold that the right to life does not entail positive rights by others to preserve it. Thus, even if the fetus has full human rights, the mother should be under no enforceable obligation to

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allow her body to be used for its support. I do not say this view is correct—remember, I have resolved to stay out of trouble. Rather, my point is more limited: someone with this position need not fall victim to Arkes's argument. In like manner, someone could hold that the fetus, by objective criteria, fails to meet the requirements for human rights. Would he not escape our author's strictures?

Here I shall tip my hand and say that on these issues he seems to me entirely in the right.

Our author agrees with Lenin on the unity of theory and practice, and he has been heavily involved in political action to limit or reverse *Roe v. Wade*. In particular, he has sought to ensure legally that a baby that survives an abortion has a full human right to life and that partial-birth abortions are banned. He offers a fascinating narrative of his struggles in these and other matters. Here I shall tip my hand and say that on these issues he seems to me entirely in the right. ✦

Ruins of the Drug War

Legalize This! The Case For Decriminalizing Drugs

Douglas N. Husak
Verso Books, 2002
x + 197 pgs.

Douglas Husak, a distinguished legal philosopher, presents in excellent fashion a key point about drug prohibition.[1] He claims not to be a libertarian; he speaks disparagingly of the libertarian position "that each of us has the right to put anything we like into our bodies" (p. 22). I do not think that Husak has rightly characterized the libertarian view; what libertarian would hold that we have the right to use a drug "that turns us into homicidal maniacs" just "because these effects occur as a result of putting it into our bodies" (p. 22)?

In fact, the libertarian view is identical to the position that Husak defends. Why, he asks, should people be punished for using drugs? To punish someone is to impose a severe disability on him; and justice requires that punishment be imposed only on someone who violates rights. The mere fact, if it is one, that drug use leads to bad social consequences does not suffice.

[1]By "drugs" in the following I mean substances such as cocaine and heroin.

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Husak illustrates his argument with a telling example: "Does anyone believe that individuals should be punished for something simply because the failure to do so would cause an increase in the behavior for which they are punished? This rationale fails to provide the personal justification for punishment that is needed. This is not our reason to criminalize acts like murder and rape. No one would say that we should punish such acts simply because the failure to do so might lead others to commit rape and murder" (p. 175).

To punish people simply because their acts encourage others to act in a way deemed undesirable is to use people as means, in a morally unacceptable way. If the state can imprison someone because his drug use sets a bad example to children, or helps to maintain a market in drugs associated with violent crime, is it not failing to treat the drug user as an end in himself? (Of course, much of the violent crime in the drug market stems from the fact that drug sales are illegal; but Husak is concerned in his argument only about punishment for drug use.)

"Away with such Kantian nonsense," a supporter of the consequentialist position may reply. "What we need are hard facts. If it turns out that the benefits of drug prohibition exceed its costs, we have exactly the justification needed to make the use of drugs criminal. Speculative and unprovable moral theories should not bar our way."

Husak replies to this objection in what I regard as the most brilliant passage of his book. In it, he makes an important contribution to moral theory that in scope goes far beyond the drug issue. Husak points out that our imagined objector cannot escape moral theory of the sort he dismisses as speculative. "Critics of prohibition denigrate principles of justice at their peril, for a harm-reduction approach is no less dependent on moral evaluation than the alternative they reject" (p. 177).

Our author makes good his claim with a neglected but obvious truth. How are we supposed to balance good and bad consequences, without using moral theory? "We could not hope to balance incommensurables unless we were willing to judge that some outcomes were more valuable than others. These judgments of value are moral judgments" (p. 177).

The drug prohibitionist may elect at this point to bite the bullet. He may contend that drug use not only has bad effects but also is in itself wrong, in a way that justifies punishment. But why should we accept this? The use of alcohol has similar effects to those found in drug use, yet no one proposes making the mere act of drinking a crime.

Husak has backed the drug prohibitionist into a corner. The supporter of prohibition must locate an important difference between alcohol (or tobacco) and drugs the use of which he wishes to ban. Husak has little difficulty in showing that a recent attempt by the distinguished criminologist James Q. Wilson to do this fails completely. Wilson claims that use of cocaine "alters the soul," but smoking does not. Unfortunately, Wilson fails

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to explain his contention in a way that can be rationally assessed. Unless he or some other prohibitionist can do so, the case for banning the use of drugs lies in ruins. ✦

Revolution and Secession

"The Unreal Lincoln"

Ken Masugi
National Review, Vol. 54, No. 19 (October 14, 2002), pp. 61–63

Tom DiLorenzo is well able to look out for himself, but one comment in Ken Masugi's review of his book on Lincoln merits our attention. Masugi, a disciple of Harry Jaffa, whose worship of Lincoln has no limits, naturally reacts to DiLorenzo's skeptical view of King Abraham I with outrage. In the course of his assault, he claims that DiLorenzo has made a basic mistake in political theory: "DiLorenzo maintains that the Declaration of Independence . . . was merely concerned with the independence of the several states, and that the states could therefore withdraw their consent to be governed under the 1787 Constitution. . . . But DiLorenzo is proposing a logical absurdity. Secession is the same as revolution, as secessionists must admit when pressed, and therefore no legal right of secession can exist" (p. 62).

It is not DiLorenzo but his critic who here falls into confusion. A constitution that recognized a right of armed rebellion against the government it established would indeed be strange. As Ludwig von Mises puts the point: "[A victorious revolution] can never enact a legal 'right to resist oppression.' Such an impunity granted to people venturing armed resistance to the armed forces of the government is tantamount to anarchy and incompatible with any mode of government" (*Human Action*, Scholar's Edition, p. 284 n.).

As usual, Mises is right: no state can recognize a right to revolt against itself, since a state, by definition, claims a legal monopoly of force. If advocates of secession contended for a legal right to revolt, their claim could not stand.[1] Masugi's error is precisely to impute this claim to them. DiLorenzo, as a secessionist in good standing, contends that the Constitution left states free to leave the union. In what way is this a claim that those under the jurisdiction of a state have the legal right to take up arms against it? Rather, it is analogous to the right of signatories of a treaty of alliance to abandon their association.

Masugi will no doubt say that we have ignored the essential issue. Suppose a state does withdraw from the union. Will not the efforts of the central government to compel it to return inevitably result in violence? If so, do

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[1]It of course does not follow from this definitional point that we ought to establish or support a state.

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we not arrive at just the situation that Mises contends is absurd?

Not at all. The claim that legal secession reduces to an absurd legal right of revolution begs the question. If, as secessionists contend, a state may leave the union, then the central government has no right to stop it. No armed conflict results unless the central government acts *ultra vires*.

Masugi of course is free to deny that the United States was a voluntary union of the sort just sketched. But if it was, then the secessionists must be acquitted of the charge of absurdity that Masugi brings against them. Masugi, like his mentor Jaffa, is so much a nationalist that he cannot grasp alternatives to his position. ✦

More Equal than the Others

"The Case Against Preemptive War"

PAUL W. SCHROEDER
AMERICAN CONSERVATIVE, VOL. 1, NO. 2 (OCTOBER 21, 2002), PP. 8–20

The *American Conservative* is off to a brilliant start. Paul W. Schroeder's article is the best analysis I have seen of the current crisis in America's relations with Iraq. Schroeder ranks as one of the world's foremost diplomatic historians. He has specialized in European diplomacy during the eighteenth and nineteenth centuries, but he is also the author of an excellent revisionist study of the situation leading to Pearl Harbor, *The Axis Alliance and Japanese-American Relations, 1941*, written so long ago as 1958.

Schroeder brings to his analysis of current war hysteria a key concept from his study of European diplomacy: the concert of powers. The system of international diplomacy that reached its highest point in Europe between the Congress of Vienna in 1815 and the onset of World War I in 1914 depended on two basic principles: First, "the system must consist of independent units (in the main, states) coexisting in a coordinate system of equal juridical status and rights" (p. 16).

In seeming, though not actual, contrast to the first principle, the European powers endeavored to act in union; they shunned unilateral initiatives and sought to achieve international consensus. "The second major direction of development [of the international system] . . . is the movement toward the association of independent units in international relations into unions (leagues, alliances, confederations, associations, etc.) for common vital purposes that could be realized only through such associations, the most important of these being stable peace and security" (p. 16).

Bush's bellicose stance defies both of these principles. One nation has no right, in the international system just sketched, to dictate to another what

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weapons it is allowed to hold. Iraq's offense is that "under the leadership of someone we consider an international criminal, [it] has purportedly been trying persistently to acquire the same weapons that both we and most of our best friends and a number of neutral states already possess, namely, weapons of mass destruction. . . . To put it bluntly, Washington declares that there is one law for the United States and other states of which it approves, and another law for all the rest. It is Orwellian: all states are equal, but some, especially the United States, are vastly more equal than others" (p. 17).

As if this were not enough, the United States insists on its right to launch an attack on Iraq on its own volition. If other nations agree with us, so much the better; if not, we will act alone. A more complete defiance of the principle of action by a concert of powers would be hard to imagine.

But does any of this matter? Iraq, it is alleged, threatens the United States through its programs of weapons development. Do we not have a right, nay a duty, to act to defend ourselves? Must we risk our security as a nation because the rules of a centuries-old system require this?

Schroeder contends that adherence to the traditional system is a great good, to be given up only in the direst emergencies. Should the United States endeavor unilaterally to impose its commands on other nations, inevitably other nations will see its conduct as a threat to their interests. "[W]e cannot want a world that operates by these rules [of unilateral action]—but that is the world we would be promoting" (p. 18).

But once more the question arises: Even if Schroeder is right about the immense value of the standard international system, what if our interests are directly and immediately threatened? Can we not act? Our author responds by denying the premise that this question presupposes.

Iraq, compared to the United States, is a country of insignificant power. How can it pose a direct threat to us? "The more one thinks about it, the more implausible it becomes to claim that the United States, a superpower with an historically unprecedented position of unchallenged military superiority, is threatened by an impoverished, ruined, insecure state halfway round the world" (p. 12). ✦

Schroeder contends that adherence to the traditional system is a great good, to be given up only in the direst emergencies.

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